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*Electronically Filed on
May 31, 2006*

8 Attorneys for Certain Direct Lenders

9 **UNITED STATES BANKRUPTCY COURT**

10 **DISTRICT OF NEVADA**

11 In re:

12 USA COMMERCIAL MORTGAGE COMPANY,
13 Debtor.

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR
Case No. BK-S-06-10729-LBR

14 USA CAPITAL REALTY ADVISORS, LLC,
15 Debtor.

Chapter 11

16 USA CAPITAL DIVERSIFIED TRUST DEED FUND,
17 LLC,
18 Debtor.

**STATEMENT OF JONES
VARGAS PURSUANT TO
BANKRUPTCY RULE 2019
(AFFECTS ALL DEBTORS)**

19 USA SECURITIES, LLC,
20 Debtor.

Hearing Date: n/a
Hearing Time: n/a

21 Affects:

- All Debtors
- USA Commercial Mortgage Company
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA Capital First Trust Deed Fund, LLC
- USA Securities, LLC

25 I, Janet L. Chubb, Esq., declare, under penalty of perjury, and state, as follows:

26 1. I am an attorney licensed to practice law in the state of Nevada and am a
27 shareholder of the law firm of Jones Vargas. I have personal knowledge of the facts set forth
28 herein and if called as a witness could and would competently testify thereto.

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1 2. Louis M. Bubala, Esq., an associate of Jones Vargas, and I are the attorneys
 2 primarily responsible for representing the following Direct Lenders in connection the above-
 3 captioned cases, as first deed of trust holders only, with regard to certain loans which were
 4 originated and serviced by the Debtors:

5 Andrew and Ellen Dauscher
 6 P. O. Box 10031
 7 Zephyr Cove, NV 89448

Evelyn Asher Sheerin, Trustee for
 the benefit of The Chris H.
 Sheerin (deceased) and Evelyn
 Asher Sheerin 1984 Trust Dated
 5/31/84, Evelyn Asher Sherrin,
 Trustee of the Chris and Evelyn
 Sheerin 1990 Trust, and Sheerins Inc.
 c/o Gary A. Sheerin, Esq.
 177 W. Proctor St., #B
 Carson City, NV 89703

8 Mojave Canyon Inc.
 9 Attn: J.B. Partain, President
 10 1400 Colorado Street #C
 11 Boulder City, NV 89005

10 Fertitta Enterprises, Inc.
 11 Attn: William J. Bullard, CFO
 12 2960 W. Sahara Avenue, Suite 200
 13 Las Vegas, NV 89102

14 3. The representation of each client is based on direct loans each of them made to the
 15 borrowers in one or more of various real property development projects currently being serviced
 16 by USA Commercial Mortgage Company, which are secured by deeds of trust.

17 4. The total of the loans made by the above-referenced individuals and entities is
 18 unknown at this time, due to incomplete records received from the Debtors.

19 5. The majority of these loans were made more than a year prior to the filing of
 20 petitions by the Debtors.

21 6. I filed this Statement as soon as it was feasible after learning Jones Vargas would
 22 not be representing an official committee appointed by the United States Trustee.

23 7. A supplement to this Statement will be filed upon the retention by additional Direct
 24 Lenders.

25 DATED this 31st day of May, 2006.

26 JONES VARGAS

27 By: //s// Janet L. Chubb
 28 JANET L. CHUBB, ESQ.
 29 LOUIS M. BUBALA, ESQ.

30 Attorneys for Direct Lenders/Beneficiaries

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CERTIFICATE OF SERVICE

1. We filed the following document(s) on May 31, 2006:

BANKRUPTCY RULE 2019 STATEMENT OF JONES VARGAS

2. Upon filing, I served the above-named document(s) by the following means to the persons as listed below:

• a. **ECF System** (attach the "Notice of Electronic Filing" or list all persons and addresses):

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3 • **MATTHEW C. ZIRZOW**
4 bankruptcynotices@gordonsilver.com

5 **9 b. United States mail, postage fully prepaid** (list persons and addresses):

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7 LAW OFFICES OF JAMES G SCHWARTZ
8 7901 STONERIDGE DRIVE, SUITE 401
9 PLEASANTON, CA 94588

10 **RICHARD J. MASON**
11 130 PINETREE LANE
12 RIVERWOODS, IL 60015

13 **ERVEN T NELSON**
14 6060 W. ELTON AVENUE, SUITE A
15 LAS VEGAS, NV 89107

16 **NICHOLAS J SANTORO**
17 400 S FOURTH ST 3RD FLOOR
18 LAS VEGAS, NV 89101

19 **MICHAEL M. SCHMAHL**
20 MCGUIREWOODS LLP
21 77 W. WACKER DRIVE, SUITE 4100
22 CHICAGO, IL 60601

23 **JAMES G SCHWARTZ**
24 7901 STONERIDGE DR #401
25 PLEASANTON, CA 94588

26 **PATRICIA K. SMOOTS**
27 318 N GROVE
28 OAK PARK, IL 60302

29 **BRADLEY J STEVENS**
30 3300 N CENTRAL AVE #1800
31 PHOENIX, AZ 85012

32 **GREGORY J WALCH**
33 400 S FOURTH ST 3RD FLOOR
34 LAS VEGAS, NV 89101

35 **WILLIAM E WINFIELD**
36 POB 9100
37 OXNARD, CA 93031

38 **9 c. Personal Service** (list persons and addresses):
39 I personally delivered the document(s) to the persons at these addresses:

40 **9** For a party represented by an attorney, delivery was made by
41 handing the document(s) to the attorney or by leaving the document(s) at
42 the attorney's office with a clerk or other person in charge, or if no one is in
43 charge by leaving the document(s) in a conspicuous place in the office.

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9 For a party, delivery was made by handing the document(s) to the party or by leaving the document(s) at the person's dwelling house or usual place of abode with someone of suitable age and discretion residing there.

• d. **By direct email (as opposed to through the ECF System)** (list persons and email addresses):

Annette Jarvis
AJarvis@rqn.com

Based upon the written agreement of the parties to accept service by email or a court order, I caused the document(s) to be sent to the persons at the email addresses listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

9 e. By fax transmission (list persons and fax numbers):

Based upon the written agreement of the parties to accept service by fax transmission or a court order, I faxed the document(s) to the persons at the fax numbers listed below. No error was reported by the fax machine that I used. A copy of the record of the fax transmission is attached.

9 f. By messenger:

I served the document(s) by placing them in an envelope or package addressed to the persons at the addresses listed below and providing them to a messenger for service. (A declaration by the messenger must be attached to this Certificate of Service).

I declare under penalty of perjury that the foregoing is true and correct.

DATED this 31st day of May, 2006.

Tawney Waldo

//s// Tawney Waldo